



Memorandum

TO: CITY COUNCIL

FROM: Mayor Reed
Councilmember Chu
Councilmember Kalra
Councilmember Liccardo

SUBJECT: SEE BELOW

DATE: June 12, 2009

Approved _____ Date _____
Carol Reed
Ash Kalra
Karen Chu *Sam Liccardo* 6-12-09

VISION NORTH SAN JOSE AREA DEVELOPMENT POLICY PROPOSED AMENDMENT

RECOMMENDATION

Approve staff recommendations with the following modifications:

1. Permit Extensions:

- a. Amend the North San Jose Area Development Policy to give the Director of Planning the authority to grant time extensions;
- b. Direct the Planning Director to issue 2-year time extensions for development projects that have demonstrated their commitment to completing the implementation of their entitlements. The status of several projects are well beyond the PD zoning and PD permit stages. In several cases, the developers of these projects have acquired land, executed parkland agreements; received demolition permits, cleared sites, submitted site utility plans to the Department of Public Works, have projects that are currently under building permit plan check review or preparing building permit applications for submittal. Projects that have achieved some or all of these milestones must receive a 2-year extension; and
- c. For other Phase 1 projects that have not made much progress since receiving their zoning rights, the Director is asked to return to Council within the 90 day timeline requested by staff with a fair assessment of the status of those projects and whether or not those projects should be guaranteed unit or square footage allocations. Every effort should be made to encourage these projects to get to the next stage in the entitlement process. However, if projects are not financially viable, then others in the pipeline that may be viable should be given an opportunity to be reviewed in the future.

2. Outreach: Commend District 4 and staff for convening the North San Jose Neighborhoods Planning Task Force on June 11, 2009 to discuss staff recommendations and amendments to the North San Jose Policy. We further encourage and direct staff to engage and have constructive dialog with all interested stakeholders and the development community, prior to returning to Council on other amendments that are in progress, including the Urban Design Guidelines and opportunities to encourage sales tax revenue generating developments in North San Jose.

BACKGROUND

North San Jose is our premier employment center and is positioned over the next 20 years to evolve into an innovation district with walkable neighborhoods close to jobs and transit. The development community responded positively to our vision of developing 26.7 million square feet of office and R&D space and 32,000 square feet of high density housing. City and Redevelopment staff skillfully facilitated Phase 1 development projects by expediting applications that went through the process between 2006 and 2008. Those projects have invested several million dollars in land transactions and soft costs. We appreciate the investment and zest with which the development community engaged in the implementation of the policy objectives.

Today, developers and land owners in North San Jose are reeling from the impacts of the current economic and financial crises. It is our turn to send the message to the development community that we value their investments in San José. We are presented with an opportunity to give them a sense of certainty when the rest of their environment does not.

We urge the Council to look favorably on the recommendations before us, and direct staff to act in a purposeful way now and quickly, to assure that our developers have the ability to respond to any upturn in the market that may occur in the next 12 to 24 months.